Cutting down of Costs by FCI

326. SHRI B. J.P. PANDA: Will the Minister CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that FCI has been able to cut down costs by around Rs. 800 crores in the last fiscal; and

(b) if so, the details of steps taken to improve its image?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) The Food Corporation of India (FCI) has been able to cut down its costs by about Rs. 915.73 crore during 2004-05, as per the details in the Statements enclosed. (See below)

(b) The FCI has been regularly interacting with Media Representatives at appropriate level to project the positive activities and achievements of the Corporation. The FCI also actively participates in various fairs/melas to educate the farmers and the consumers on the role of the FCI in ensuring Food Security of the Nation. The publicity material relating to the achievements of the Corporation is sent for publication through various leading magazines/journals/souvenirs. The FCI at the field level involved NGOs, Agricultural Universities and leading professional institutes in its efforts to highlight the positive image of the Corporation and the role of the Corporation so as to dispel any kind of misconception in the minds of general public.

Statement

Details of the costs that the FCI has been able to cut down during 2004-05

(Rs. in Crore)

1.	Reduction of interest of rate on Cash Credit from 10.95% monthly compounding to 8.15% monthly compounding (on average credit utilization of Rs. 25,000 crore)	767.50
2.	Saving of interest due to switching over to quarterly advance subsidy instead of monthly advance (on a average subsidy of Rs. 5000 crore per quarter at reduced interest rate) [saving for 6 months w.e.f. Oct'04]	112.50

(Rs. in Crore)

3. Issue of Bonds for Rs. 4023 crore (at average coupon rate of 7.14%) [saving for one month we.f. march'05]	6.23
4 Other fiscal measures taken for streamlining financial operations	29.50
TOTAL:	915.73

Closed sugar mills In Madhya Pradesh

†327. SHRI PYARELAL KHANDELWAL: Will the Minister of CONSUMER AFFAIRS. FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of those sugar mills which are lying closed in Madhya Pradesh;

(b) the assistance provided to the State to restart these mills and the number of mills which have been made operational by now;

(c) whether the action plan has been made by Government for those workers who have become unemployed due to the closure of these mills;

(d) if so, the details thereof; and

(e) if not, the reasons therefor"

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) The number of sugar mills which remained closed in Madhya Pradesh during the last three sugar seasons were as under:—

Sugar Season(Oct -Sep)	No. of closed mills
2002-03	05
2003-04	05
2004-05	05

(b) to (e) It is the responsibility of the entrepreneur to take steps to reopen/revive the closed sugar mills. The sick mills belonging to private

†Original notice of the question was received in Hindi.